

Congress of the United States  
Washington, DC 20515

August 11, 2003

## Help Put Tax Reform on Track

### *Cosponsor the Tax Reform Action Commission (TRAC) Act*

Dear Colleague:

In the 1930s, the federal tax system had only 500 pages of laws and regulations and only 16 pages on the income tax. Today, tax rules sprawl across more than 45,000 pages. The tax code has more than doubled in length since the 1970s and continues to grow in complexity.

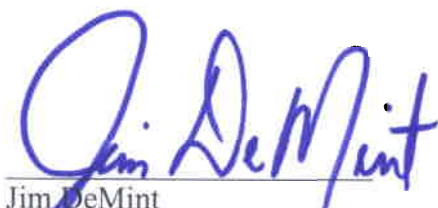
The complexity of the tax code results in enormous costs to taxpayers and is a constant drain on our economy. Complexity forces Americans to spend 6.1 billion hours each year learning tax rules and filling out tax forms at a cost of \$183 billion. Complexity leads to noncompliance, whether through confusion or a desire to evade taxes. The General Accounting Office estimates that the government loses about \$200 billion of tax revenue annually due to noncompliance. Complexity also increases administration and enforcement expenses at the IRS, which were nearly \$10 billion in 2003. Overall, the unnecessary complexity of our current tax code extracts hundreds of billions of dollars from the U.S. economy – each and every year.

With a struggling economy and budgetary shortfalls, there has never been a better time for Congress to eliminate obstacles to growth. A number of reform and simplification alternatives have been proposed in recent years, but a lack of consensus has prevented progress. In order to begin the process of formulating a responsible and widely supported plan, we are introducing the Tax Reform Action Commission (TRAC) Act, which accomplishes the following:


- Creates a bipartisan commission to study problems and consider alternatives
- Includes Members and outside experts
- Recommends a new tax system to Congress
- Includes special rules that guarantee prompt consideration
- Replaces current code after new system is approved – no sunset

The TRAC Act is a realistic and efficient way to achieve tax reform. We urge Members to join us in supporting the TRAC Act as an original cosponsor. Please contact Chuck Royal w/ DeMint at 5-6030 or Jean E. Jones w/ Hall at 5-6673.

Sincerely,



Jim DeMint  
Member of Congress



Ralph M. Hall  
Member of Congress